

STANDARDS AND AUDIT COMMITTEE

Wednesday, 5th February, 2020

Present:-

Councillor Rayner (Chair)

Councillors Brady
Kellman
T Murphy

Councillors Snowdon
Wilson

*Matters dealt with under the Delegation Scheme

31 **DECLARATIONS OF MEMBERS' AND OFFICERS' INTERESTS
RELATING TO ITEMS ON THE AGENDA**

No declarations of interest were received.

32 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Caulfield and Councillor A Brittain.

33 **MINUTES**

RESOLVED –

The Minutes of the meeting of the Standards and Audit Committee held on 27 November, 2019 were agreed as a true record and signed by the Chair.

34 **LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF PUBLIC**

RESOLVED –

That under Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 1 of Part 1 of Schedule 12A of the Act.

35 **RUFFORD CLOSE UPDATE**

The Assistant Director for Housing attended the committee to provide an update on the recommendations made following an audit of the housing capital programme, specifically regarding the Rufford Close Project. The report made two recommendations;

- A contract or Service Level Agreement must be in place before a project commences regardless of whether the work is being carried out by Commercial Services or an external contractor.
- The cost control processes need to be reviewed to ensure that lessons can be learnt from Rufford Close and to prevent the same issues arising in other housing projects.

In response to these recommendations, a number of actions had been implemented;

- Contracts were in place for all aspects of the Housing Capital Programme
- Monthly project meetings were to be held with contractors and Commercial Services.
- All contract documentation was being standardised.
- All project supervisors had been given the correct up to date training
- All health and safety paperwork was being standardised
- £10,000 had been invested in project management software to improve cross-service communication.
- Active engagement with the Commercial Services team was taking place

The committee was assured that the actions taken had resulted in a significant improvement to the management of the capital programme. The Chair clarified that the capital programme audit would be completed as part of the 2019/20 work plan.

***RESOLVED**

That the update be noted.

ANNUAL REPORT - STANDARDS OF CONDUCT

The Monitoring Officer gave a brief outline of the complaints procedure for the benefit of the new members of the committee. It was noted that the Code of Conduct only applies to Members when they are acting in their

capacity as a councillor. Five complaints had been assessed, but their outcomes meant that there had been no investigations and no hearings in the last year. No updates to policies had been suggested since the review in October 2019.

The committee heard that it was difficult to discern any themes due to the low number of complaints, but social media was highlighted as a sensitive area. Discussion took place around the training that elected Members receive on social media and the potential risks. The Monitoring Officer clarified that the relevant training in May 2019 was well attended but further training was readily available.

A Member questioned whether the Council followed its own policy or a national framework. The Monitoring Officer explained that currently a national model Code of Conduct does not exist but the Local Government Association was working on one. This followed the 2019 Committee on Standards in Public Life report (yet to be considered by the Government).

***RESOLVED -**

That the report be noted.

37 RE-ADMISSION OF THE PUBLIC

***RESOLVED –**

That after consideration of items containing exempt information, the public be re-admitted to the meeting.

38 SUMMARY OF INTERNAL AUDIT REPORTS ISSUED

The Internal Audit Consortium Manager presented a report summarising the internal audit reports issued during the period 2nd November 2019 to 10 January 2020, in respect of reports issued relating to the 2019/20 internal audit plan.

It was noted that four reports had been issued during this period and had been given the following levels of assurance:

- ‘Substantial Assurance’ – 4
- ‘Reasonable Assurance’ – 1

It was noted that there had been positive outcomes this period with no areas of concern.

The Internal Audit Consortium Manager provided an update from the Town Centre Operations Manager on Car Parking Income as requested at the last meeting. It was heard that each of the ten recommendations was in progress and expected to be completed by April. A full written report would be presented to the April meeting of the committee.

*** RESOLVED –**

That the report be noted.

39 2018/19 ANNUAL GOVERNANCE STATEMENT ACTION PLAN UPDATE

The Internal Audit Consortium Manager presented a report to update members on the progress made towards implementing the 2018/19 Annual Governance Statement Action Plan. The Action Plan had been approved by the Standards and Audit Committee in May 2019.

The Corporate Management Team had monitored the progress made against the Action Plan and a summary of progress achieved as at the end of December 2019 was attached at Appendix 1 to the officer's report.

A number of the actions were ongoing and the committee was informed that good progress was being made, however further work was required. It was agreed that timescales would be added to the 2019/20 Action Plan which was under construction.

*** RESOLVED –**

That the report be noted.

40 CIPFA FRAUD AND CORRUPTION TRACKER SURVEY 2019

The Internal Audit Consortium Manager presented a report summarising the results of CIPFA's Fraud and Corruption Tracker survey, and the controls and procedures that the Council has in place to mitigate the risk of fraud.

It was highlighted that the three greatest perceived fraud risk areas were procurement, social care and council tax single person discount.

The fraud prevention measures put in place by the Council were detailed at paragraph 3.4 of the officer's report.

*** RESOLVED –**

1. That the results of CIPFA's Fraud and Corruption Tracker survey be noted.
2. That the fraud prevention measures put in place by the Council be noted.

41 NATIONAL FRAUD INITIATIVE

The Internal Audit Consortium Manager presented a summary of the results of the 2018/19 National Fraud Initiative for Chesterfield Borough Council. No fraud was identified. Three instances of duplicate creditor payments were discovered and each of these have been refunded. The external auditor suggested that it might be appropriate to carry out internal matching as an annual check. He reassured the committee that the duplicate payments were an anomaly in an otherwise reasonable assurance.

***RESOLVED –**

That the report be noted.

42 TREASURY MANAGEMENT STRATEGY 2020/21

The Group Financial Accountant presented a report recommending for approval the Treasury Management Strategy Statement, the Capital Strategy Report and the Annual Investment Strategy Statement for 2020/21 and the Minimum Reserve Provision (MRP) Policy for 2020/21.

The report noted the Council's requirement to approve its Treasury Management and Investment Strategies. It detailed the Council's estimated capital expenditure, how this would be financed and the Council's borrowing need, in addition to indicating the most cost effective method as internal borrowing.

The Treasury Management Strategy Statement 2020/21 was attached at Appendix A to the officer's report.

*** RESOLVED –**

That Council be recommended to:

1. Approve the Treasury Management Strategy Statement for 2020/21.
2. Approve the Capital Strategy Report for 2020/21
3. Approve the Investment Strategy Report for 2020/21.
4. Approve the Minimum Revenue Provision (MRP) policy for 2020/21.

43 AUDIT STRATEGY MEMORANDUM 2019/20

The committee was introduced to Mark Dalton, Director of Mazars. It was noted that the memorandum set out Mazars' responsibilities as an auditor and detailed their fee for 2019/20.

Mike Norman, Senior Manager of Mazars, presented a report for members to consider the External Audit Plan for 2019/20. The plan outlined how the Council's external auditor, Mazars, proposed to undertake the audit of the financial statements and the value for money conclusion for 2019/20.

The scope of responsibilities was unchanged and the timetable for audit was the same as previously indicated. There had been no significant change to risks, but the external auditor expected to provide an increased depth of coverage in these areas.

The committee heard that the external auditor was driven by professional standards and targeted areas of significant risk when carrying out its work. In response to a member's question in relation to the issues at Northamptonshire County Council, Mazars confirmed that in respect of the areas that they reviewed last year they had no concerns and that any concerns they did have would be raised at the Standards and Audit Committee. It was clarified that the memorandum was a plan and that the audit findings would be reported to the committee at the July meeting.

*** RESOLVED –**

That the External Audit Plan for 2019/20 be received.